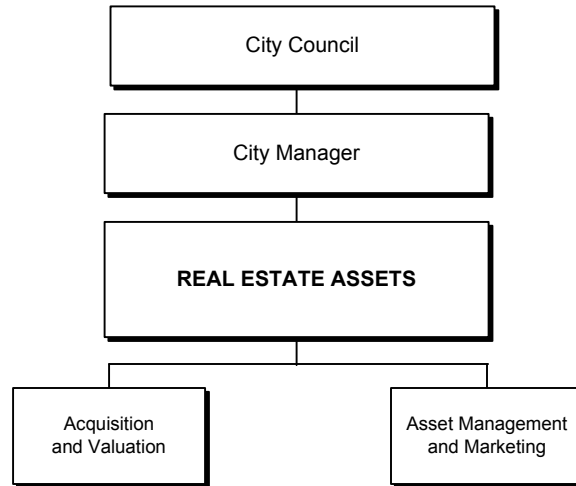


# REAL ESTATE ASSETS

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# Real Estate Assets



## Mission Statement

To manage the City's real estate activities for the greatest benefit to the residents of San Diego.

## Department Description

The Real Estate Assets Department (READ) provides real estate services for the City of San Diego including property management, leasing, marketing, granting of easements, permits for access, appraisals, valuations, relocations, and acquisitions.

## Division/Major Program Description

### Acquisition and Valuation

The Acquisition and Valuation Division provides complete valuation, acquisition, and relocation services for the City of San Diego, including appraisal and acquisition of sites for public facilities, parks, open space, and rights-of-way for Street Division's utility purposes. Services provided by this Division include appraisals for lease and/or sale of City properties, estimates of value for feasibility studies, estimates for land and rights-of-way acquisition costs, relocation of households and businesses displaced by public projects, and consultation and expert witness services to the City Attorney's Office in connection with condemnation actions and other litigation issues.

# Real Estate Assets

## Division/Major Program Description

### Asset Management and Marketing

The Asset Management and Marketing Division (AM&M) is responsible for managing the City's diverse real estate portfolio. AM&M provides real property related services and assistance to all City departments and members of the general public. AM&M's responsibilities encompass a wide range of activities affecting the City's real property such as development and disposition. Other activities include leasing or permitting use of City land, facilities, or other assets at locations such as Balboa Park, Mission Bay Park, San Pasqual Agricultural Preserve and the World Trade Center; management and marketing of commercial and industrial City owned property, granting easements and permits to public and private entities for needed utilities and other uses. AM&M also works with qualified developers and property owners concerning City owned property projects as well as leasing of privately owned facilities for City departments and the sale of excess land.

## Service Efforts and Accomplishments

READ has accomplished a number of milestones. These include generating in excess of \$52 million in lease revenue for Fiscal Year 2005; continuing to restore the De Anza Mobile Home Park to park land; and developing a transition plan for reuse of the San Diego Concourse.

Water Department agricultural lease revenue (Water Fund 41500) alone increased by \$720,000 over the prior fiscal year as a result of aggressive delinquency collection procedures, lease updates and a good avocado season.

The overall delinquency rate for revenue leases managed by READ has been reduced to 0.4 percent.

The Dana (formerly Dana Inn) completed a 78 room addition and a complete remodel of the existing facilities at the hotel in Mission Bay. Annual lease revenue for that hotel alone is expected to increase by \$200,000.

READ has successfully converted the previously unsurveyed lease boundaries in San Pasqual Valley to a Geographic Information Systems (GIS) format, resulting in defined areas and boundaries in an effort to eliminate agricultural encroachments into sensitive habitat areas; expanding the real estate holdings of the City's Multiple Species Conservation Program in both the Del Mar Mesa area and East Elliott.

READ will continue the acquisition of new sites for the City's libraries and fire station expansions.

## Future Outlook

For Fiscal Year 2006, READ will acquire land for several new fire stations, libraries, and parks; will continue to assist in obtaining real estate property rights for sewer group jobs including relocation of utilities from canyon areas; will continue to manage approximately 700 leases in the current portfolio; continue to formulate a plan to redevelop the San Diego Concourse into a new Civic Center; and work closely with the Community and Economic Department preparing field studies and estimates for numerous redevelopment projects.

# Real Estate Assets

## Budget Dollars at Work

- \$52 Million in Citywide lease revenue
- 700 Leases covering 34,295 acres

Real Estate Assets				
	FY 2004 BUDGET	FY 2005 BUDGET	FY 2006 FINAL	FY 2005-2006 CHANGE
Positions	46.64	43.14	<b>38.08</b>	(5.06)
Personnel Expense	\$ 3,753,642	\$ 3,773,261	\$ <b>3,574,351</b>	\$ (198,910)
Non-Personnel Expense	\$ 526,191	\$ 430,157	\$ <b>414,172</b>	\$ (15,985)
<b>TOTAL</b>	<b>\$ 4,279,833</b>	<b>\$ 4,203,418</b>	<b>\$ 3,988,523</b>	<b>\$ (214,895)</b>

## Department Staffing

	FY 2004 BUDGET	FY 2005 BUDGET	FY 2006 FINAL
<b>GENERAL FUND</b>			
<b>Real Estate Assets</b>			
Asset Management & Marketing	26.35	24.10	<b>21.10</b>
Management	3.34	2.74	<b>2.68</b>
Real Estate Acquisition/Valuation	16.95	16.30	<b>14.30</b>
<b>Total</b>	<b>46.64</b>	<b>43.14</b>	<b>38.08</b>

## Department Expenditures

	FY 2004 BUDGET	FY 2005 BUDGET	FY 2006 FINAL
<b>GENERAL FUND</b>			
<b>Real Estate Assets</b>			
Asset Management & Marketing	\$ 2,372,178	\$ 2,315,150	\$ <b>2,213,497</b>
Management	\$ 363,140	\$ 332,619	\$ <b>373,572</b>
Real Estate Acquisition/Valuation	\$ 1,544,515	\$ 1,555,649	\$ <b>1,401,454</b>
<b>Total</b>	<b>\$ 4,279,833</b>	<b>\$ 4,203,418</b>	<b>\$ 3,988,523</b>

# Real Estate Assets

## Significant Budget Adjustments

### GENERAL FUND

Real Estate Assets	Positions	Cost
<b>Salary and Benefit Adjustments</b>	(0.06) \$	334,155
Adjustments to reflect the annualization of the Fiscal Year 2005 negotiated salary compensation schedule, changes to average salaries, retirement contributions, and retiree health contributions. Position adjustments, if applicable, reflect the City Manager's restructuring of Executive Team assignments.		
<b>Support for Property Maintenance</b>	0.00 \$	13,000
Support to maintain the property at 43rd and National, which has been acquired for street widening. This expense is funded by TransNet.		
<b>Non-Discretionary</b>	0.00 \$	215
Adjustments to reflect expenses that are determined outside of the Department's direct control. Examples of these adjustments include utilities, insurance, and rent.		
<b>Support for Information Technology</b>	0.00 \$	(29,616)
Funding is allocated according to a zero based annual review of information technology funding requirements and priority analyses.		
<b>Reduction of Staffing to Citywide Unclassified Personnel</b>	(1.00) \$	(171,772)
The reduction of 1.00 Deputy Director will require the combination of two divisions, increasing responsibility and work assignments for the remaining management staff.		
<b>Reduction of Staffing to Revenue Leases, Land Sales, and Relocation Services</b>	(4.00) \$	(360,877)
Reduction of 4.00 Associate Property Agent positions would result in a reduction in services to client departments, lessees, tenants, and members of the public.		

## Expenditures by Category

	FY 2004 BUDGET	FY 2005 BUDGET	FY 2006 FINAL
<b>PERSONNEL</b>			
Salaries & Wages	\$ 2,810,668	\$ 2,706,221	\$ <b>2,439,737</b>
Fringe Benefits	\$ 942,974	\$ 1,067,040	\$ <b>1,134,614</b>
<b>SUBTOTAL PERSONNEL</b>	\$ 3,753,642	\$ 3,773,261	\$ <b>3,574,351</b>
<b>NON-PERSONNEL</b>			
Supplies & Services	\$ 265,235	\$ 260,788	\$ <b>278,311</b>

# Real Estate Assets

## Expenditures by Category

		FY 2004 BUDGET		FY 2005 BUDGET		FY 2006 FINAL
Information Technology	\$	199,960	\$	134,211	\$	103,891
Energy/Utilities	\$	55,005	\$	29,167	\$	25,979
Equipment Outlay	\$	5,991	\$	5,991	\$	5,991
<b>SUBTOTAL NON-PERSONNEL</b>	\$	526,191	\$	430,157	\$	414,172
<b>TOTAL</b>	\$	4,279,833	\$	4,203,418	\$	3,988,523

## Revenues by Category

		FY 2004 BUDGET		FY 2005 BUDGET		FY 2006 FINAL
<b>GENERAL FUND</b>						
Revenue from Money & Property	\$	26,251,000	\$	29,214,000	\$	29,159,437
Charges for Current Services	\$	1,373,000	\$	1,830,000	\$	1,884,563
Transfers from Other Funds	\$	-	\$	-	\$	13,000
<b>TOTAL</b>	\$	27,624,000	\$	31,044,000	\$	31,057,000

## Key Performance Measures

		FY 2004 BUDGET		FY 2005 BUDGET		FY 2006 FINAL
Average cost per lease	(1)	\$2,421		\$2,420		\$2,238
Average cost per acquisition	(2)	\$39,369		\$5,617		\$5,427
Average cost per relocation	(3)	\$6,077		\$4,288		\$2,759

## Salary Schedule

### GENERAL FUND

#### Real Estate Assets

<i>Class</i>	<i>Position Title</i>	<i>FY 2005 Positions</i>	<i>FY 2006 Positions</i>	<i>Salary</i>	<i>Total</i>
1104	Account Clerk	0.50	0.50	\$ 36,330	\$ 18,165
1107	Administrative Aide II	1.00	1.00	\$ 48,631	\$ 48,631
1218	Assoc Management Analyst	1.00	1.00	\$ 61,400	\$ 61,400
1228	Assoc Property Agent	12.00	8.00	\$ 61,947	\$ 495,572
1237	Payroll Specialist I	1.00	1.00	\$ 37,996	\$ 37,996
1348	Info Systems Analyst II	0.50	0.50	\$ 62,220	\$ 31,110
1532	Intermediate Stenographer	1.00	1.00	\$ 37,271	\$ 37,271
1746	Word Processing Operator	2.00	2.00	\$ 36,284	\$ 72,567
1756	Property Agent	12.00	12.00	\$ 68,706	\$ 824,470
1776	Public Information Clerk	2.00	2.00	\$ 36,160	\$ 72,319

(1) Fiscal Year 2006 input numbers are based on Fiscal Year 2005 budget plus any changes in Fiscal Year 2006 proposed.

(2) Fiscal Year 2004 number of acquisitions represents 14 parcels acquired, but consist of a total of 294 Acres. This number does not reflect pre-acquisition activities for 68 parcel projects that were put on hold due to lack of funding.

(3) Fiscal Year 2004 output number does not reflect the relocation studies performed on 216 businesses or 178 residential units.

# Real Estate Assets

## Salary Schedule

### GENERAL FUND

#### Real Estate Assets

<i>Class</i>	<i>Position Title</i>	<i>FY 2005 Positions</i>	<i>FY 2006 Positions</i>	<i>Salary</i>		<i>Total</i>
1844	Sr Account Clerk	1.00	<b>1.00</b>	\$	41,346	\$ 41,346
1876	Executive Secretary	1.07	<b>1.04</b>	\$	50,406	\$ 52,422
1929	Supv Property Agent	5.00	<b>5.00</b>	\$	76,966	\$ 384,832
2111	Asst City Manager	0.01	<b>0.00</b>	\$	-	\$ -
2153	Deputy City Manager	0.06	<b>0.04</b>	\$	168,900	\$ 6,756
2177	Real Estate Assets Director	1.00	<b>1.00</b>	\$	134,712	\$ 134,712
2214	Deputy Director	2.00	<b>1.00</b>	\$	120,168	\$ 120,168
<b>Total</b>		43.14	<b>38.08</b>			<b>\$ 2,439,737</b>
<b>REAL ESTATE ASSETS TOTAL</b>		43.14	<b>38.08</b>			<b>\$ 2,439,737</b>